

Message Text

CONFIDENTIAL

PAGE 01 TEHRAN 10211 171812Z
ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 PM-05 ACDA-12 CIAE-00 INR-07
IO-13 L-03 NSAE-00 NSC-05 EB-08 NRC-05 OES-07
DODE-00 ERDA-05 SS-15 SP-02 FEA-01 PA-01 USIA-06
PRS-01 /119 W

-----023527 180022Z /70

R 171155Z NOV 77
FM AMEMBASSY TEHRAN
TO SECSTATE WASHDC 5502
INFO AMEMBASSY BONN
AMEMBASSY PARIS
AMEMBASSY VIENNA

C O N F I D E N T I A L TEHRAN 10211

DEPT PASS USDOE

EO 11652: GDS
TAGS: ENRG, NWUC, PARM, TECH, FR, IR
SUBJ: SOME DETAILS ABOUT LETTER OF INTENT FOR
IRAN'S PURCHASE OF FOUR GERMAN POWER
REACTORS

REF: TEHRAN 10041

1. DURING CONVERSATION TODAY WITH GERMAN EMBASSY
OFFICERS, EMBOFFS LEARNED THAT LETTER OF INTENT SIGNED
10 NOVEMBER FOR IRANIAN PURCHASE OF FOUR 1,200 MW
DRY-COOLED NUCLEAR POWER REACTORS IS FOR MECHANICAL
(INCLUDING REACTORS) AND ELECTRICAL COMPONENTS ONLY.
CONSTRUCTION WORK WILL BE SUBJECT INTERNATIONAL TENDER
FOR BIDS. DRY COOLING COMPONENTS, WHICH ARE CLOSED-
SYSTEM 230 METER HIGH TOWERS OF A DESIGN NOT YET
COMPLETED, WILL BE OBJECT OF SEPARATE KRAFTWERKUNION
(KWU) CONTRACT. FINANCING SPECIFICS NOT COVERED IN
LETTER OF INTENT, BUT DEUTSCHEBANK NOW WORKING ON
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TEHRAN 10211 171812Z

PUTTING TOGETHER A CONSORTIUM THAT WILL NEGOTIATE
WITH GOI FOR FINANCING TO COVER MECHANICAL AND
ELECTRICAL COMPONENTS COSTS. KWU WILL RECEIVE
CONSULTING FEE FOR DEVELOPING SPECIFICATIONS, ETC.
FOR CONSTRUCTION WORK, WHICH WILL BE INTERNATIONAL
TENDER. GERMAN EMBOFFS DID NOT KNOW TOTAL VALUE
OF FINANCIAL PACKAGE, BUT STATED THAT GOI HAS SO FAR

NOT DEMANDED OIL BARTER ALTHOUGH IT IS ON THE RECORD AS SAYING THIS SUBJECT WILL BE RAISED IN FUTURE. CURRENT TIMETABLE CALLS FOR NEGOTIATIONS AND BIDDING TO BE FINISHED WITHIN SIX MONTHS FOR SIGNING OF COMPREHENSIVE CONTRACT.

2. ABOUT 2,000 GERMAN AND EXPAT TECHNICIANS WILL BE ON SITE, ABOUT THE SAME NUMBER NOW AT BUSHEHR WORKING ON IRAN PLANTS ONE AND TWO, WHERE CONSTRUCTION IS ON SCHEDULE. TWENTY-THREE SITE SURVEYS HAVE BEEN DONE AND AEOI IS CLOSE TO SELECTING THE ISFAHAN SITE FOR WHAT WILL BE IRAN FIVE AND SEVEN. IRAN SIX AND EIGHT WILL BE IN CENTRAL PROVINCE, WITH LOCATION NEAR SAVEH THE LEADING SITE CONTENDER. CONSTRUCTION IS SCHEDULED TO BEGIN NEAR ISFAHAN ON IRAN FIVE LATE IN 1978 OR VERY EARLY IN 1979. WORK ON THE NEXT PLANT IN CENTRAL PROVINCE WILL COMMENCE ONE YEAR LATER, WITH THE OTHERS FOLLOWING AT ONE YEAR INTERVALS. EACH PLANT IS TO BE COMPLETED IN FIVE YEARS. THE REACTORS FOR THESE FOUR PLANTS WILL BE EXACTLY THE SAME AS THOSE IN IRAN ONE AND TWO, WITH CAPACITY IN EXCESS OF 1,200 MW AND CLOSE TO 1,300 MW. INLAND TRANSPORT OF GERMAN REACTORS WILL BE DIFFICULT, BY RAIL SOME 1,200 KILOMETERS FROM PERSIAN GULF.

3. LETTER OF INTENT SPECIFIES THAT ONLY INITIAL FUEL LOAD WILL BE PROVIDED (NOT A TEN YEAR SUPPLY AS IS THE CONFIDENTIAL

CONFIDENTIAL

PAGE 03 TEHRAN 10211 171812Z

CASE WITH IRAN ONE AND TWO). NORMAL NPT AND IAEA PROVISIONS APPLY, AND SHOULD IRAN ABROGATE ITS NPT SAFEGUARDS, AGREEMENT WITH FRG WOULD STILL APPLY AND COULD NOT BE CANCELLED. IRAN MAY STORE ITS SPENT FUEL OR MAY REPROCESS IN THIRD COUNTRY WITH FRG'S PRIOR APPROVAL.

4. THERE ARE NOW 25 IRANIAN POST-GRADUATE STUDENTS STUDYING ADVANCED NUCLEAR SCIENCE IN GERMANY FOR TWO YEARS, PLUS 300 OPERATORS OR TECHNICIANS UNDERGOING TWO TO THREE YEAR TRAINING PROGRAMS. FRG IS HAVING SOME PROBLEMS WITH THIS LATTER GROUP WHICH LIKE THAT IN FRANCE IS UNDERQUALIFIED AND LACKING IN MOTIVATION: THE TRAINEES PREFER EUROPEAN AMENITIES TO DILIGENT STUDY. GERMAN EMBASSY SCIATT COMMENTED THAT HE KNEW FRENCH NUCLEAR OFFICIALS ARE WORRIED BECAUSE FIRST GROUP OF SOME 20 POST GRADUATE ADVANCED STUDENTS SOON TO RETURN FROM FRANCE ARE IN FRENCH EYES AT LEAST SUB-STANDARD. MIKLOS

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, SALES, CONSTRUCTION, HEAVY WATER, NUCLEAR REACTORS, PROPOSALS (BID), NUCLEAR POWER PLANTS
Control Number: n/a
Copy: SINGLE
Sent Date: 17-Nov-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977TEHRAN10211
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770427-0188
Format: TEL
From: TEHRAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771145/aaaabmpa.tel
Line Count: 112
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0b524117-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 TEHRAN 10041
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 30-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 542983
Secure: OPEN
Status: NATIVE
Subject: SOME DETAILS ABOUT LETTER OF INTENT FOR IRAN'S PURCHASE OF FOUR GERMAN POWER REACTORS
TAGS: ENRG, MNUC, PARM, TECH, FR, IR
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/0b524117-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009